

**State of Maryland
Department of Health (MDH)
Medical Care Programs Office of Finance
RFP MDH-OPASS-22-18952**

**Medicaid Agreed Upon Procedures Reviews and Accounting and Consulting Services Related to Capitated Rate
Setting for Managed Care Organizations and Medicaid Regulations Compliance Auditing for MCOs and
Disproportionate Share Hospitals**

Questions and Answers for Request for Proposal Solicitation # MDH-OPASS-22-18952

**MCO Request for Proposal (RFP) No. 22-18952
Maryland Department of Health 3/12/20**

1. The RFP states that proposals will be accepted only via email to Calvin Johnson (pg. 75 and iii); however, page 75-76 gives specifications for paper copies and pg. 62 states that proposals may not be submitted by email. Please clarify requirements.

Response: All Proposals are to be electronically sent to calvin.johnson@maryland.gov

2. The Key Information Summary Sheet-Contract Duration (page iv) states *“Approximately 5-years 1-month Base w/1 2-year Option. Approximately October 1, 2021 – 09/30/2026; 09/30/2028 if the option is exercised.”* Section A.2.5 (should be 2.2.5) (page 4) states *“Although the final Contract Period of the Contract is expected to end on January 31st of either 2026 or 2028 if the single available Contract renewal option is exercised...”* Section 3.1.D (page 37) states *“The duration of the Contract will be for the period of time from Contract Commencement to the Go-Live (NTP) Date and 5 years, plus one (1) 2-Year and 1-month Option (10/1/2021-09/30/2026; 09/30/2028 if the option period is exercised for the provision of all services required by the Contract.”* Attachment B-1 Excel spreadsheet lists contract periods beginning with 1/1/2021 to 1/31/2022 and ending with 2/1/2027 to 1/31/2028. What is the actual contract duration?

Response: Approximately 5-years 1-month Base w/1 2-year Option

3. Section 2.3.1.11.4.A (page 11) states *“The Contract Monitor and other Department staff identified by the Contract Monitor shall have constant read-only access to this database or data warehouse method via a secure means as agreed upon between the Contract Monitor and Contractor.”* Section 2.3.1.11.4B states *“...agree upon some degree of manipulation, reconfiguration or extractability of such data, materials, etc. by Department personnel...”* Due to the sensitive nature of PHI in data related to this engagement, is it acceptable to provide access to any requested documents or data within a specified period of time in lieu of constant read-only access?

Response: Due to the State needing access to the data for various reasons, we would need this data readily available. Access should be given as stated.

4. Section 2.3.2.3.2.2 (page 13) states 'Required MCO Activities to be verified by the Contractor' which includes steps in the HFMR AUP which are currently billed as special projects:
- a. 2.3.2.3.2.2.30 – Rx Rebates
 - b. 2.3.2.3.2.2.31 – Non-State Plans
 - c. 2.3.2.3.2.2.32 – Third Party Liabilities and Cost Avoidance
 - d. 2.3.2.3.2.2.35 – Affordable Care Act Fees
 - e. 2.3.2.3.2.2.36 – Independent Review Organization Fees
 - f. 2.3.2.3.2.2.37 – MMCOA/Wakely Actuarial Fees
 - g. 2.3.2.3.2.2.39/40/41 – Pharmacy Benefit Manager Expenses on Section III of the HFMR
- Will these steps be considered Special Projects in the new proposal or part of the 'MCO AUP Reviews Section'?

Response: The items listed above are as stated in the RFP under 2.3.3.3.2.2 "Required MCO Activities to be verified by the Contractor," and not special projects.

5. Section 2.3.2.6.3.B (page 20) states *"If the Not-to-Exceed MCO AUP Review, MLR Examination or DSH Audit Amount, as appropriate, is reached for the Review of a given MCO or DSH in any Contract Period, the Contractor will not be paid for any additional work on that particular Review/Examination/Audit, including not paid any retainage amount if such payment would result in the Contractor receiving more than its Not-to-Exceed MCO AUP Review, MLR Examination or DSH Audit Amount, as appropriate."* The amount of time needed to complete a review can vary significantly between entities depending on the size of the entity and the complexity of its structure. Historically, an average Not-to-Exceed Amount per entity has been proposed and the contractor was required to stay within the average amount times the number of entities to allow for this variation. Applying the Not-to-Exceed Amount to each individual entity does not allow for any variation between entities. Would the Department consider removing this application to each individual entity and allowing for billing to be limited to a total not-to-exceed amount?

Response: The State is not willing to allow billing to be limited to a total not-to-exceed amount for completing the aforementioned reports. The price in AUP should be price per audit and not an hourly rate on time spent.

6. Section 3.9.1 (page 51) states "A SOC 2 Type 2 Audit applies to the Contract. The applicable trust principles are: Security, Availability, Processing Integrity, Confidentiality, and Privacy." Would the Department consider removing this requirement?

Response: The State is not willing to remove these requirements. This requirement ensures that the State and Contractor are in agreement that the data will be securely managed and protects the interests of the State.

7. There are calculation errors and formatting limitations in the Attachment B-1 Spreadsheet. Is it acceptable to recreate the spreadsheet and submit a version that corrects the following errors:
 - a. Attachment B-1 Excel spreadsheet, MCO tabs:
 - i. Cells D18, F18, H18, K18, M18 and O18 do not calculate the Staff Mix %.
 - ii. Cells D30, F30, H30, K30, M30 and O30 calculate the Staff Mix % incorrectly. Cell S27 should be the denominator.
 - b. Attachment B-1 Excel spreadsheet, DSH tabs:
 - i. Cells D16, F16, H16, J16, L16 and N16 do not calculate the Staff Mix %.
 - ii. Cells D29, F29, H29, J29, L29 and N29 calculate the Staff Mix % incorrectly. Cell S26 should be the denominator.
 - c. On Attachment B-1 Excel spreadsheet, Tab 8, the Total Amount column cannot be formatted.

Response: The Department review and provide a response by March 19th.

8. It is noted on line #3 of Attachment B-1 Excel Spreadsheet that the total number of DSH Audits is 31, however on line #4 Total Contract Price, the formula in Cell S22 multiplies the price per DSH Audit by 9. Should this be 31 to correspond to RFP Section B-2 Detailed Financial Proposal Instructions, subsection C. 3?

Response: Per the Scope of Work in the RFP, there are 9 MCOs and 31 DSH hospitals. Audits are number of facilities times price per audit.

The B-2 Detailed Financial Proposal Instructions section E (page 98) mentions that Entry level and Intern auditors cannot complete special projects. Depending on the nature of a special project, entry level and intern auditors, with appropriate supervision, could be a suitable labor category. Would the Department consider waiving this restriction and allow staffing decisions to be made once special projects are determined each contract year?

Response: Special projects are typically high level time restrained projects which require highly capable staff. The State prefers to keep this requirement.

9. Section 2.3.2.6.4.1A omits Contract Manager. Is this Labor Classification exempt from staff mix calculations?

A. Response: The staff mix is as outlined in 2.3.2.6.4.1A. Per the RFP, section 2.3.2.6.4.1E “Although the Contract Manager may directly work on any AUP Review, MLR Examination, DSH audit, Support Services or Special Project, such work is not separately billable and does not factor into the Staff Mix calculations.”

10. Section 2.3.2.6.4 (page 20) discusses ‘Adherence to Staff Mix Percentages for MCO AUP Review, MLR Examination or DSH Audit Activities’. Within this section, 2.3.2.5.4.1.C (page 20-21) states “the final invoice for that AUP Review, MLR Examination, or DSH Audit, as appropriate, should be adjusted by the Contractor to reflect the required staff mix.” However, Section 2.3.2.6.4.4.1 (page 23) discusses the Monthly Invoice Breakdown and states “if the Staff Mix Percentage for any given Labor Classification other than Auditor Intern has been attained, the number of hours

invoiced at one or more lower Labor Classifications.” Is the Department requesting that we adjust to staff mix monthly or just at the end of each MCO AUP Review, MLR Examination, or DSH Audit period?

Response: [The monthly invoice should be the exact work performed during that month and the precise staff utilized to perform the work.](#)

11. Section 3.9, SOC 2 Type 2 Audit Report (page 51) — SOC 2 Type II report requirements are typically reserved for contracts where an IT system is a significant part of the engagement. Since that is not the case on this contract, will the state consider modifying this requirement such that it is not required?

Response: [Since the State is requiring a database with pertinent information, SOC 2 is an essential part of the contract.](#)